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# A BILL FOR AN ACT

RELATING TO REAL PROPERTY.

**BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:**

1           SECTION 1. Chapter 667, Hawaii Revised Statutes, is  
2 amended by adding a new section to be appropriately designated  
3 and to read as follows:  
4           "§667- Buyer's choice of title insurer and escrow agent.  
5           (a) In connection with a judicial foreclosure or foreclosure by  
6 power of sale of residential property improved by four or fewer  
7 dwelling units, no foreclosing mortgagee or mortgagee who  
8 acquires the property through a foreclosure proceeding shall  
9 require, directly or indirectly, as a condition of selling the  
10 property, that the buyer purchase an owner's title insurance  
11 policy covering the property or escrow service in connection  
12 with the sale of the property from a particular title insurer or  
13 escrow depository. This section shall not prohibit a buyer from  
14 agreeing to accept the services of a title insurer or an escrow  
15 depository recommended by the foreclosing mortgagee or mortgagee  
16 who acquires the property through the foreclosure proceeding if  
17 written notice of the right to make an independent selection of  
18 those services is first provided to the buyer by the foreclosing



1 mortgagee or mortgagee who acquires the property through the  
2 foreclosure proceeding.

3 (b) A foreclosing mortgagee or mortgagee who acquires the  
4 property through a foreclosure proceeding who violates this  
5 section shall be liable to a buyer in an amount equal to three  
6 times all charges incurred in the purchase of the title  
7 insurance or escrow service.

8 (c) A transaction subject to this section shall not be  
9 invalidated solely because of the failure of any person to  
10 comply with any provision of this section."

11 SECTION 2. This Act does not affect rights and duties that  
12 matured, penalties that were incurred, and proceedings that were  
13 begun before its effective date.

14 SECTION 3. New statutory material is underscored.

15 SECTION 4. This Act shall take effect on July 1, 2010.



**Report Title:**

Residential Real Property; Mortgage Foreclosure

**Description:**

Prohibits a foreclosing mortgagee or mortgagee who acquires a property from requiring that a buyer purchase title insurance or escrow services from any particular vendor as a condition of sale. (SB2910 HD1)

*The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.*

